



General Assembly

February Session, 2008

***Raised Bill No. 5582***

LCO No. 1916

\*01916\_\_\_\_\_BA\_\*

Referred to Committee on Banks

Introduced by:  
(BA)

***AN ACT CONCERNING LENDER RECORDING OF MORTGAGE  
RELEASES.***

Be it enacted by the Senate and House of Representatives in General  
Assembly convened:

1       Section 1. Section 49-8 of the general statutes is repealed and the  
2       following is substituted in lieu thereof (*Effective October 1, 2008*):

3       (a) The mortgagee or a person authorized by law to release the  
4       mortgage shall execute and deliver a release to the extent of the  
5       satisfaction tendered before or against receipt of the release: (1) Upon  
6       the satisfaction of the mortgage; (2) upon a bona fide offer to satisfy the  
7       mortgage in accordance with the terms of the mortgage deed upon the  
8       execution of a release; (3) when the parties in interest have agreed in  
9       writing to a partial release of the mortgage where that part of the  
10      property securing the partially satisfied mortgage is sufficiently  
11      definite and certain; or (4) when the mortgagor has made a bona fide  
12      offer in accordance with the terms of the mortgage deed for such  
13      partial satisfaction on the execution of such partial release.

14      (b) The plaintiff or the plaintiff's attorney shall execute and deliver a  
15      release when an attachment has become of no effect pursuant to  
16      section 52-322 or section 52-324 or when a lis pendens or other lien has

17 become of no effect pursuant to section 52-326.

18 (c) The mortgagee or a person authorized by law to release the  
 19 mortgage shall not record a release required by subsection (a) of this  
 20 section in the land records. The mortgagee shall, no later than sixty  
 21 days after the date of execution of the release, or the receipt of  
 22 proceeds in satisfaction or partial satisfaction of the loan, whichever is  
 23 earlier, deliver the release to the office of the attorney from which the  
 24 mortgagee received payment in satisfaction or partial satisfaction of  
 25 the mortgage, as the case may be. The plaintiff or the plaintiff's  
 26 attorney [, as the case may be,] shall execute and deliver a release  
 27 required by subsection (b) of this section [within] no later than sixty  
 28 days [from] after the date a written request for a release of such  
 29 encumbrance (1) was sent to such [mortgagee,] plaintiff or plaintiff's  
 30 attorney at the person's last-known address by registered or certified  
 31 mail, postage prepaid, return receipt requested, or (2) was received by  
 32 such [mortgagee,] plaintiff or plaintiff's attorney from a private  
 33 messenger or courier service or through any means of communication,  
 34 including electronic communication, reasonably calculated to give the  
 35 person the written request or a copy of it. The mortgagee or plaintiff  
 36 shall be liable for damages to any person aggrieved at the rate of two  
 37 hundred dollars for each week after the expiration of such sixty days  
 38 up to a maximum of five thousand dollars or in an amount equal to the  
 39 loss sustained by such aggrieved person as a result of the failure of the  
 40 mortgagee or plaintiff or the plaintiff's attorney to execute and deliver  
 41 a release in accordance with this subsection, whichever is greater, plus  
 42 costs and reasonable attorney's fees.

43 Sec. 2. Subsection (b) of section 49-8a of the general statutes is  
 44 repealed and the following is substituted in lieu thereof (*Effective*  
 45 *October 1, 2008*):

46 (b) [If a mortgagee fails to execute and deliver a release] The  
 47 mortgagee shall execute and deliver a release of mortgage to the  
 48 [mortgagor or to the mortgagor's designated agent within sixty days

49 from receipt by the mortgagee of] office of the attorney from which the  
50 mortgagee received proceeds in payment of the mortgage loan (1) in  
51 accordance with the payoff statement furnished by the mortgagee, or  
52 (2) if no payoff statement was provided pursuant to a request made  
53 under section 49-10a of the 2008 supplement to the general statutes, in  
54 accordance with a good faith estimate by the mortgagor of the amount  
55 of the unpaid balance on the mortgage loan using (A) a statement from  
56 the mortgagee indicating the outstanding balance due as of a date  
57 certain, and (B) a reasonable estimate of the per diem interest and  
58 other charges due. The release shall be so delivered no later than sixty  
59 days from the execution of the release or the mortgagee's receipt of  
60 proceeds in payment of the mortgage loan, whichever is earlier. The  
61 mortgagee shall not record the release of the mortgage in the land  
62 records. If the mortgagee violates any provision of this subsection, the  
63 mortgagee shall be liable for damages to any person aggrieved at the  
64 rate of two hundred dollars for each week after the expiration of such  
65 sixty days up to a maximum of five thousand dollars or in an amount  
66 equal to the loss sustained by such aggrieved person as a result of the  
67 failure of the mortgagee to execute and deliver a release, whichever is  
68 greater, plus costs and reasonable attorney's fees. In addition, any  
69 attorney-at-law or duly authorized officer of either a title insurance  
70 company or an institutional payor may, on behalf of the mortgagor or  
71 any successor in interest to the mortgagor who has acquired title to the  
72 premises described in the mortgage or any portion thereof, execute  
73 and cause to be recorded in the land records of each town where the  
74 mortgage was recorded, an affidavit which complies with the  
75 requirements of this section.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2008</i>	49-8
Sec. 2	<i>October 1, 2008</i>	49-8a(b)

***Statement of Purpose:***

To prohibit lenders from filing mortgage releases in land records and to require them to deliver copies of releases to the attorney's offices from which the lenders have received proceeds in payment of the loan.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*